A **DNC ASIATIC HOLDINGS SDN BHD & ORS v. HONDA GIKEN KOGYO KABUSHIKI KAISHA & OTHER APPEALS**

COURT OF APPEAL, PUTRAJAYA
HAMID SULTAN ABU BACKER JCA
ABANG ISKANDAR JCA
B BADARIAH SAHAMID JCA
[CIVIL APPEALS NO: W-02(IPCV)(W)-2376-12-2016,
W-02(IPCV)(W)-2-01-2017 & W-02(IPCV)(W)-3-01-2017]
30 OCTOBER 2019

C ***INTELLECTUAL PROPERTY:*** *Copyright – Infringement – Whether copyright was work researched and designed by employee of plaintiff – Whether works of employee deemed to belong to employer – Whether three-dimensional work included within meaning of 'artistic work' – Whether eligible for copyright protection – Whether plaintiff lawful owner of copyright – Whether copyright subsisted in* D *claimed work – Copyright Act 1987, ss. 3, 7(1)(c) & 42*

STATUTORY INTERPRETATION: *Copyright Act 1987, s. 3 – 'artistic work' – Whether three-dimensional drawing recognised as 'artistic work' – Definition of 'artistic work' in s. 3 included via Amendment Act 1996 ('Act A952') – Whether Act A952 excluded three-dimensional drawing from 'artistic work' – Whether new* E *definition has retrospective effect*

There were three appeals here, namely: (i) Appeal 2376, which originated from the High Court Civil Suit 22IP-36-07/2014 ('Suit 36'); and (ii) Appeal 2; and Appeal 3, both originated from the High Court Civil Suit 22IP-37-07/2014 ('Suit 37'). Honda Giken Kogyo Kabushiki Kaisha ('plaintiff'), a F Japanese automobile company, claimed ownership over copyright of its motorcycles known as EX-5 or EX-5 Dream ('EX-5'). The copyright was created in 1985 in Japan and EX-5 was launched in Malaysia in 1987. Honda claimed that the defendants in Suit 36 and Suit 37 had infringed Honda's copyright by manufacturing/producing/assembling/distributing/marketing/ G selling the motorcycles known as 'Demak' ('first bike') and SYM E-SMART ('second bike'). In both suits, Honda prayed for, among others, permanent injunction, order for delivery and damages of copyright infringement. The defendants in Suit 26 contended that Honda had failed to establish that EX-5 drawing was created by Mr Ichiro Koizumi ('Mr Koizumi') and that H the first bike was created independently in 2003 by Bally TRD, did not bear Honda's name and was not similar to EX-5. The defendants thus counterclaimed for, *inter alia*, a declaration under the Competition Act 2010, that Honda had no ownership over the copyright, that no infringement of copyright had taken place and unlawful interference with trade. In Suit 37,

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it was the defendants' case that the second bike was not similar to EX-5. The High Court Judge ('HCJ') allowed Honda's claim in Suit 36 and dismissed the defendants' counterclaim, whilst, in Suit 37, Honda's claim for damages for alleged infringement by the defendants was dismissed. The HCJ found that the plaintiff had succeeded in establishing that copyright subsisted in the claimed works. However, the HCJ concluded that there was no evidence of infringement committed by the defendants in respect of the rights. Hence the appeals on the issues: (i) whether copyright subsisted in claimed works and whether Honda owned the copyright; and (ii) assuming there was copyright subsisting, whether it had been infringed by the defendants.

Held (dismissing Appeal 2 with costs; dismissing Appeal 2376 in part with costs)

Per Abang Iskandar JCA delivering the judgment of the court:

(1) The HCJ found that the plaintiff had succeeded in establishing that copyright subsisted in the EX-5 claimed works. But the HCJ found that there was no evidence of infringement committed by the defendants in respect of those rights. The HCJ arrived at the conclusion based on her own findings premised on the available evidence before her. Therefore, the defendant's complaint, premised upon the alleged misdirection on the part of the HCJ in applying s. 33 of the Evidence Act 1950 ('EA'), was one that was misconceived. (paras 17, 19 & 23)

(2) The impugned copyright that the plaintiff claimed to own had been the work researched and designed by its employee, Mr Koizumi. The fact that Mr Koizumi was the creator of the EX-5 had been successfully established by the plaintiff in another case involving the same copyright dispute. The factum that Mr Koizumi was the author of the copyright was significant wherein, the works of an employee is deemed to belong to the employer as encapsulated under s. 26(2) of the Copyright Act 1987. (para 25)

(3) The EX-5 drawing fell within the meaning of s. 3 of the CA by virtue of s. 7(1)(c), thus it is eligible for copyright protection. The definition of 'artistic work' in s. 3 of the CA was a product of an amendment undertaken in 1996 *via* Amendment Act 1996 ('Act A952'). Prior to the amendment, a three-dimensional reproduction was recognised as being an 'artistic work'. Clearly, Act A952 had the effect of taking out the definition. However, Act A952 took effect on September 1999, whereas the copyright in the EX-5 claimed works subsisted on 1 October 1990 and as such, the new definition of 'artistic work' did not have retrospective effect so as to nullify copyrights which had already subsisted prior to its legislation in 1996. Hence, there was no merit in the submission premised on three-dimensional work EX-5 motorcycle being not included within the meaning of 'artistic work'. (paras 26-29)

(4) Pursuant to s. 42 of the CA, what is required to be annexed to the affidavit or statutory declaration ('SD') by the person claiming subsistence of copyright over his work, is merely a true copy of the work. It need not be the original. In this case, the original drawings were annexed to the SD affirmed by PW2, who was at all material times, an employee of the plaintiff who claimed ownership of the drawings of EX-5 and that copyright subsisted over it. Therefore, the HCJ did not err in finding that the plaintiff had established a *prima facie* case as envisaged under s. 42 of the CA in relation to the ownership copyright over the EX-5 drawing. (paras 43 & 45)

(5) The HCJ was correct in not invoking the adverse inference under s. 114(g) of the EA against the plaintiff for not calling Mr Koizumi as a witness. There must be evidence of suppression of material evidence or a material witness, by the party who did not call the witness. In this case, the material evidence was adduced in the court. A witness so familiar with it was called to testify and he had given evidence in relation to it under cross-examination. It was the company policy of the plaintiff not to disturb its retired employees. Mr Koizumi was 'beyond the seas' being in Japan and there was no evidence of suppression by the plaintiff of this witness. Therefore, the fact that the EX-5 drawing evidence was admitted under s. 73A of the EA could not be dismissed summarily as being devoid of any weight as it was not subjected to the crucibles of cross-examination by the adverse party. (paras 52 & 53)

(6) The HCJ had judicially appreciated the evidence adduced and there was no appealable error of a nature which would otherwise warrant an appellate intervention. The HCJ was correct in concluding that the plaintiff had adduced sufficient cogent evidence to tip the balance and hence establishing its case that the EX-5 claimed works were eligible for copyright protection, that it subsisted in 1990 in Malaysia and that the plaintiff was the lawful owner of the copyright. There was no misdirection and neither had the HCJ been plainly wrong in the decision on issues pertaining to this appeal, namely, subsistence and ownership of the copyrights in the claimed works. (paras 58, 65 & 66)

Case(s) referred to:

Allibert SA v. O'Connor and Another [1981] FSR 613 ***(refd)***

China Airlines Ltd v. Maltran Air Corp Sdn Bhd & Another Appeal [1996] 3 CLJ 163 FC ***(refd)***

Dream Property Sdn Bhd v. Atlas Housing Sdn Bhd [2015] 2 CLJ 453 FC ***(refd)***

Dura-Mine Sdn Bhd v. Elster Metering Ltd & Anor [2015] 1 CLJ 887 FC ***(refd)***

Elster Metering Ltd & Anor v. Damini Corp Sdn Bhd & Anor [2010] 1 LNS 397 HC ***(refd)***

Elster Metering Ltd & Anor v. Premier Amalgamated Sdn Bhd [2010] 2 CLJ 149 HC ***(refd)***

Gan Yook Chin & Anor v. Lee Ing Chin & Ors [2004] 4 CLJ 309 FC ***(refd)***
Henderson v. Foxworth Investments Ltd and Another [2014] 1 WLR 2600 ***(refd)***
Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor [2005] 6 CLJ 174 HC ***(refd)***
In re B (Children) [2008] UKHL 35 ***(refd)***
In re Dellow's Will Trusts [1964] 1 WLR 451 ***(refd)***
In re H (Minors) (Sexual Abuse: Standard of Proof) 1996 AC 563 ***(refd)***
Megnaway Enterprise Sdn Bhd v. Soon Lian Hock (No 2) [2009] 8 CLJ 130 HC ***(refd)***
Microsoft Corporation v. Yong Wai Hong [2008] 6 CLJ 223 CA ***(refd)***
Miller v. Minister of Pensions [1947] 2 All ER 372 ***(refd)***
Munusamy Vengadasalam v. PP [1987] 1 CLJ 250; [1987] CLJ (Rep) 221 SC ***(refd)***
Onnasis & Anor v. Vergottis [1968] 2 Lloyds Rep 403 ***(refd)***
Peko Walisend Operations Ltd & Ors v. Linatex Process Rubber Bhd [1993] 2 CLJ 94 HC ***(refd)***
Re H and R (Child Sexual Abuse: Standard of proof) [1995] 1 FLR 643 ***(refd)***
Rhesa Shipping Co SA v. Edmunds [1985] 1 WLR 948 ***(refd)***
Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd [2005] 1 CLJ 200 HC ***(refd)***
Sinnaiyah & Sons Sdn Bhd v. Damai Setia Sdn Bhd [2015] 7 CLJ 584 FC ***(refd)***
UEM Group Bhd v. Genisys Integrated Engineers Pte Ltd & Anor [2010] 9 CLJ 785 FC ***(refd)***
Watt v. Thomas [1947] AC 484 ***(refd)***

Legislation referred to:
Copyright Act 1987, ss. 3, 7(1)(c), 26(2)(b), 42(1)(a)(iii)
Evidence Act 1950, ss. 33, 61, 73A(1)(b), 114(g)

Other source(s) referred to:
Professor Khaw Lake Tee, *Copyright Law in Malaysia,* 2008, 3rd edn, pp 66, 68

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[Editor's note: For the High Court judgment, please see Honda Giken Kogyo Kabushiki Kaisha (also known as "Honda Motor Co, Ltd") v. DNC Asiatic Holdings Sdn Bhd & Ors And Another Suit [2018] 9 CLJ 229 (affirmed).]

Reported by S Barathi

JUDGMENT

Abang Iskandar JCA:

Introduction

[1] There are three related civil appeals presented before us namely:

(i) W-02(IPCV)(W)-2376-12-2016 (Appeal 2376)

(ii) W-02(IPCV)(W)-2-01-2017 (Appeal 2); and

(iii) W-02(I PCV)(W)-3-01-2017 (Appeal 3).

[2] Appeal 2376 originated from High Court's Civil Suit 221P-36-07-2014 (Suit 36) while Appeal 2 and 3 originated from High Court's Civil Suit 22IP-37-07-2014 (Suit 37).

[3] These appeals are concerned with Honda Giken Kogyo Kabushiki Kaisha (Honda)'s copyright claims and damages for alleged infringements by the defendants. Honda is the plaintiff in all suits. The defendants in Suit 36 are DNC Asiatic Holdings Sdn Bhd, Demak Marketing Sdn Bhd, and Demak Motor Corporation Sdn Bhd. While the defendants in Suit 37 are MForce Bike Holdings Sdn Bhd and Malaysian Formula Bikes Sdn Bhd.

[4] During oral submissions before us, all parties agreed to proceed with Appeal 2 first, and the result will determine the direction of the other two appeals ie, Appeal 2376 and Appeal 3. Hence this decision and the grounds of judgment pertain to Appeal 2 only.

Salient Facts Of The Case

[5] Honda Giken Kogyo Kabushiki Kaisha ("the plaintiff"/"Honda") is a Japanese automobiles company. The defendants in Civil Suit 22IP-36-07-2014 ("Suit 36"), namely DNC Asiatic Holdings Sdn Bhd, Demak Marketing Sdn Bhd, and Demak Motor Corporation Sdn Bhd, are involved in importing, assembling, marketing and selling motorcycles known as "Demak" (first bike). The defendants in Civil Suit 22IP-37-07-2014 ("Suit 37") ie, MForce Bike Holdings Sdn Bhd and Malaysian Formula Bikes Sdn Bhd are involved in importing, assembling and distributing motorcycles known as "SYM E-SMART" (second bike).

[6] Honda claimed ownership over copyright of its motorcycles known as EX-5 or EX-5 Dream ("EX-5"). The copyright was created in 1985 in Japan and EX-5 was launched in Malaysia in 1987. Honda claimed that the defendants in Suit 36 and Suit 37 had infringed Honda's copyright by manufacturing/producing/assembling/distributing marketing/selling the first bike and second bike.

[7] In both civil suits, Honda prayed for, among others, permanent injunction, order for delivery and damages of copyrights infringement; costs and other suitable relief.

[8] The defendants in Suit 36 contended that Honda failed to establish that EX-5 drawing was created by Mr. Ichiro Koizumi ("Mr. Koizumi"). It was contended that the first bike was created independently in 2003 by Bally TRD. The first bike did not bear Honda's name and was not similar to EX-5. There was no evidence of actual loss suffered by Honda.

[9] The defendants in Suit 36 also made a counter-claim, for among others, a declaration under the Competition Act 2010, a declaration that Honda has no ownership over the copyright, a declaration that no infringement of copyright had taken place, unlawful interference with trade and consequential injunctive reliefs against Honda, costs and other suitable reliefs.

[10] In Suit 37, the defendants contended that the second bike was launched in 2014 in Malaysia. It was also contended that, the second bike was created independently based on Vietnamese model of Sanda Boss and it was launched in Vietnam in 1994. It was the defendants' case that the second bike is not similar to EX-5. Honda was thus put to strict proof of its loss and damages.

Findings Of Learned High Court Judge

[11] In the High Court, both suits were heard together. On 24 November 2016, the High Court decided that in Suit 36, Honda's claim was allowed with costs of RM110,000 and the defendants' counter-claim was dismissed. While in Suit 37, Honda's claim for damages for alleged infringement by the defendants was dismissed with costs of RM40,000.

[12] Dissatisfied with the decision, the defendants in Suit 36 filed an appeal to the Court of Appeal *vide* Appeal W-02(IPCV)(W)-2376-12-2016 ("Appeal 2376").

[13] In respect of Suit 37, both parties appealed against the High Court decision. *Vide* Appeal W-02(IPCV)(W)-2-01-2017 ("Appeal 2"), the defendants appealed against part of the decision where the High Court Judge decided *inter alia*, that:

(i) there is copyright in:

(a) two-dimensional form drawing of bike known as EX-5 ("EX-5 drawing"); and

(b) three-dimensional form of bike known as EX-5 ("EX-5 motorcycle").

(Collectively being referred to as the "claimed works").

(ii) Copyright in the claimed works belongs to Honda;

[14] *Vide* Appeal W-02(IPCV)(W)-3-01-2017, Honda filed an appeal against part of the High Court Judge's decision on 24 November 2016 which decided that there is no infringement by the defendants against the copyright in the artistic works of Honda namely the claimed works.

The Appeals

[15] We heard Appeal 2 first over two days, namely on 3 May 2018 and on 6 August 2018. However, we reserved our decision as we need parties to file further submission regarding 'authorship' and 'ownership' under the Copyright Act 1987 ("CA") which both parties had complied with by October 2018. After perusing the records of appeal and considering submissions from both parties, we unanimously dismiss this Appeal 2. These are now our grounds of having so decided. In this grounds of judgment, parties will be referred to as they were in the High Court ie, in Suit 37 where Honda was the plaintiff while MForce Bike Holdings Sdn Bhd and Malaysian Formula Bikes Sdn Bhd were the defendants (who will collectively be referred to hereinafter as "the defendants").

[16] Before us, the main issues raised by the defendants as appellants in this appeal are:

(i) Whether copyright subsists in claimed works and whether Honda owns the copyright ie, does Honda have rights?

(ii) Assuming there is copyright subsisting, whether it has been infringed by the defendants? ie, have Honda's copyright, if any, has been breached?

[17] To recap, the learned High Court Judge ("the HCJ") found that the plaintiff had succeeded in establishing that copyright subsisted in the claimed works. But the HCJ found that there was no evidence of infringement committed by the defendants in respect of those rights. Hence, the appeals that were filed in the Court of Appeal. As was alluded to earlier, during oral submissions, it was agreed between parties and indicated to us by them that the appeal against the findings on subsistence of and ownership of copyright in favour of the plaintiff would be heard and be disposed of first. It was also agreed that if the defendants were successful in that regard, then the other appeals will be rendered academic. On the flip side, if this Appeal 2 were to fail, then the other appeals will be heard and decided by the court.

[18] Now, the main complaint in this appeal by the defendants before us was that the HCJ was wrong in deciding that the plaintiff had succeeded in establishing that copyright subsisted in the EX-5 claimed works and that the plaintiff owned the said copyright. The law on proof is trite, a party that asserts that a copyright subsists bears the burden of proving the existence of such copyright. The standard of proof applicable in such an exercise, being a civil case, is one on the balance of probabilities. (See the Federal Court case of *Sinnaiyah & Sons Sdn Bhd v. Damai Setia Sdn Bhd* [2015] 7 CLJ 584). Nothing short of that will suffice and no court will enter judgment in favour of a plaintiff that fails to adduce the requisite quantum of proof in order to fulfil the required legal threshold expected of a party who wishes the court to enter judgment in its favour.

Subsistence Issue

[19] As regards the subsistence of the copyright, we are of the considered view that HCJ had correctly found that it subsisted in EX-5 claimed works. The evidence adduced in this case before HCJ justified her in concluding that by virtue of the Berne Convention, and Malaysia being a member of that Convention since 1 October 1990. Under that Convention, under the principle of national treatment, a Berne country such as Malaysia, is under obligation to grant the same copyright protection to the national of other Berne countries, and in this case, Japanese nationals. See, "*Copyright Law in Malaysia*", by Profesor Khaw Lake Tee (3rd edn 2008) and the decision of Suriyadi J (as he then was) in *Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor* [2005] 6 CLJ 174 ("*Allied Pacific Motor* case"). In that *Allied Pacific Motor* case, Suriyadi J gave his reasons based on the affidavits before him as to why the copyright subsisted in the works as claimed by Honda.

[20] Before us, it was contended that the HCJ in the court below was in serious error when she relied on the findings of the prior court in the *Allied Pacific Motor* case (*supra*). Learned counsel for the defendants had cited to us s. 33 of the Evidence Act 1950 that would appear to suggest that such resort by the HCJ in this case was not warranted. We noted learned counsel was correct to say that s. 33 of the Evidence Act 1950 ought not to apply to admit such evidence as the defendants in this case before us were not parties in that *Allied Pacific Motor* case (*supra*). We had perused the grounds of judgment of the HCJ and we failed to see any reference by her to s. 33 of the Evidence Act 1950. Rather, what she had done was to list down in her grounds of judgment the reasons assigned by Suriyadi J as to why he had so ruled in favour of the plaintiff there, in the *Allied Pacific Motor* case (*supra*). In para. [38] of his grounds of judgment, Suriyadi J had concluded after listing down his reasons for concluding the that copyright subsisted in the EX-5 drawing, as follows:

> [38] Copyright therefore subsists in the EX-5 drawing and they are works protected by copyright in Malaysia with effect from 1 October 1990.

[21] She did not say that she followed and embraced what Suriyadi J had stated as his reasons, as her reasons for finding that copyright subsisted in the plaintiff's EX-5 works in the case before her. This fact is clearly borne out in para. [37] of her grounds of judgment wherein she explained her reasoning for finding that the EX-5 drawing was eligible for copyright protection. She agreed with the plaintiff, as to the reasons for having so found. We reproduce para. [37] as follows:

A [37] Therefore, I am of the considered opinion and I agree with the plaintiff that the EX-5 drawing are eligible for copyright protection in Malaysia as it is proven on the evidence that copyright subsists in the EX-5 drawing because:

i. the author of the EX-5 drawing, Mr. Koizumi, is a qualified person at the time the EX-5 drawing were made (s. 10(1), s. 3, regs. 2, 3(e)),
B namely, a citizen or resident of Japan (a Berne member country since 1899); or

ii. the EX-5 works were first published by the plaintiff in 1986 in Thailand, a Berne member country since 1931 (s. 10(2)(a), s. 4(1)(a), reg. 3(a)).
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The publication was a commercial launch in the market and therefore readily met the requirements of s. 4(1)(a) that it be in a manner sufficient to satisfy the reasonable requirements of the public, whether by sale or otherwise; or

D iii. the EX-5 drawing was created, designed and made in a Berne member country, Japan (s. 10(3), regs. 2, 3(c)).

[22] As such, it was clear to our minds that the HCJ had arrived at her conclusion on the subsistence of copyright in EX-5 drawing based on her own findings premised on the available evidence before her. Her conclusion
E is found in para. [38] of her grounds of judgment, like so:

[38] Copyright therefore subsists in the EX-5 drawing and they are works protected by copyright in Malaysia with effect from 1 October 1990.

[23] Premised on the above, we are of the view that the defendants' complaint premised upon alleged misdirection on the part of the HCJ in
F applying s. 33 of the Evidence Act 1950 was one that was misconceived.

Ownership Issue

[24] In this case, as could be seen from the records of appeal, the plaintiff had set out to prove that it was the lawful owner of the copyright over the
G copyrighted work in the form of EX-5 drawing from which the motorcycle model EX-5 Dream or the iconic King of Cubs as it has become in Malaysia, was moulded and was subsequently constructed for mass production and eventual widespread commercial marketing, predominantly in Thailand, Vietnam and Malaysia.

H **[25]** Quite central in the plaintiff's brief has been that the impugned copyright it had claimed to own had been that the work was researched and designed by one employee ie, Mr. Koizumi. This designer was at one time an employee of the plaintiff's subsidiary company, Honda Research & Development Co. Ltd ("Honda R & D"). Evidence was adduced and it was
I not disputed, that Mr. Koizumi was in the employment of Honda R & D

from 1977 until 2014. Like most employees of Honda R & D, he would retire at the age of 60 years old, but in the case of Mr. Koizumi, his employment with his employer was extended for two more years after he attained the age of 60 years old. After that, Mr. Koizumi had since fully retired. During the duration of his employment with Honda R & D, Mr. Koizumi was involved in various civil litigations as witness, when the need arose whereby the plaintiff needed to prove its ownership claim in respect of copyright over EX-5. In fact, one such instance was when the plaintiff was involved in a litigation over the same copyright dispute in the *Allied Pacific Motor* case (*supra*). It is an undisputed fact that at the end of that litigation, the plaintiff was successful in establishing its ownership of the EX-5 works. Indeed, what was rather instrumental, as a result of that litigation has been the fact that the court in that case accepted as a fact that Mr. Koizumi was the creator of the EX-5 the very same factum that was disputed by the defendants in this case. In other words, he was the author of the EX-5. That factum would prove significant in the context of that case as well as this case because in most jurisdictions, the works of an employee are deemed to belong to the employer. Under our own legal regime pertaining to copyrights, that proposition is captured and encapsulated under s. 26(2) of the CA. That statutory embodiment also would debunk the oft-misconceived notion that the author of a copyrighted work is of necessity, the owner of the same work. In its proper context, there is therefore now no truism in that.

Eligibility Issue

[26] As regards whether the EX-5 drawing was eligible for copyright, it is quite clear that the drawing in question falls within the meaning of s. 3 of the CA and by virtue of s. 7(1)(c). It is eligible for copyright protection. The HCJ had so found in para. [24] of her grounds of judgment. A slew of decided case was cited in support of her finding, namely *Peko Walisend Operations Ltd & Ors v. Linatex Process Rubber Bhd* [1993] 2 CLJ 94, *Megnaway Enterprise Sdn Bhd v. Soon Lian Hock (No 2)* [2009] 8 CLJ 130 and *Elster Metering Ltd & Anor v. Damini Corp Sdn Bhd & Anor* [2010] 1 LNS 397. In para. [26] of her grounds of judgment, she concluded as follows:

> [26] Therefore, I find that the two - dimensional drawing of Honda EX-5 falls within the definition of artistic work under section 3 of the CA 1987, and pursuant to section 7(1)(c), the said Honda EX-5 Drawing is eligible for copyright protection.

Suffice to say here that we have no quarrel with the finding of the HCJ on this issue.

[27] How about EX-5 motorcycle, the three-dimensional work of the EX-5 drawing? It was submitted before us that the three-dimensional work as in EX-5 motorcycle was not eligible for copyright protection as it is an item which is not captured under the purview of the new definition to the term 'artistic work' in s. 3 of the CA 1987. That definition is actually a product of an amendment undertaken in 1996 *vide* Amendment Act 1996 [Act A952]. Prior to that amendment to the definition of 'artistic work', a three-dimensional reproduction was recognised as being an 'artistic work'. But clearly, the Act A952 had the effect of taking it out of that definition. We would now reproduce the definition of the phrase 'artistic work' both as it appeared in the statute book, before and after the Act A952 amendment to the CA 1987, as follows:

Prior to 1 September 1999:

"artistic work" includes

(a) A paintings, drawings, etchings, lithographs, woodcuts, engravings, ad prints and any **three-dimensional work** thereof;

(b) Maps, plans, charts, diagrams, illustrations, sketches and three-dimensional works related to geography, topography, architecture or science;

(c) Works of sculpture;

(d) Works of architecture in the form of buildings or models;

(e) Photographs not comprised in a film; and

(f) Works of artistic craftsmanship including pictorial woven tissues, tapestry and articles of applied handicraft and industrial art;

(emphasis added).

After 1 September 1999 [*vide* Act A952]:

"artistic work" means -

(a) graphic work, photograph, sculpture or collage, irrespective of artistic quality;

(b) a work of architecture being a building or a model for a building; or

(c) a work of artistic craftsmanship.

[28] Now, at first blush, the submission by learned counsel for the defendants appeared rather valid in light of the sole reference made to the amended s. 3 on the phrase 'artistic work', which clearly had omitted any mention to a three-dimensional work. But we were referred to s. 12 of the same amending act by learned counsel for the plaintiff which provided for

a saving provision, to the effect that the amendment would not adversely affect copyrights that had subsisted prior to the date of the amendment Act A952. Section 12 of Act A952 reads as follows:

> **12 Transitional and savings**
>
> Nothing in this Act shall affect
>
> (a) Proceedings commenced under section 58 of the principal Act before the date of coming into force of this Act and still pending immediately **prior** to the date of coming into force of this Act;
>
> (b) Works in which copyright subsisted immediately **prior** to the date of coming into force of this Act,
>
> and the provisions of the principal Act and any regulations made thereunder shall continue to apply to such proceedings or works, as the case may be, as if the principal Act had not been amended by this Act. (emphasis added)

[29] That Act A952 took effect on 1 September 1999, whereas the copyright in the EX-5 claimed works subsisted on 1 October 1990, being the date when Malaysia acceded to become a member of the Berne Convention. As such, we respectfully agree with learned counsel for the plaintiff that the new and apparently narrow definition of 'artistic work' that excluded the three-dimensional work could not apply to the factual scenario obtaining before us. To put it simply, the new definition of 'artistic work' did not have retrospective effect so as to nullify copyrights which had already subsisted prior to its legislation in 1996. Indeed, it only took into effect in 1999, not even with immediate effect, namely in 1996 itself. We therefore could see no merit in the submission premised on three-dimensional work EX-5 motorcycle being not included within the meaning of 'artistic work'.

[30] We noted that the issue relating to the three-dimensional work EX-5 motorcycle was also raised before the HCJ in the court below. We now reproduce what transpired in the High court pertaining to this issue by reference to the relevant parts of the grounds of judgment of the HCJ as below:

> Whether the EX-5 Motorcycle Is Eligible For Copyright Protection
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> [54] With regards to the three – dimensional form of its EX-5 motorcycle, I am of the considered opinion that the same is eligible for copyright protection. This is premised on the case of *Peko Wallsend Operations Ltd* (*supra*) where the court held that the three-dimensional works produced from the drawings are also eligible for copyright protection under Act 332. The court held at p. 97 (CLJ); pp. 233-234 (MLJ):

A Question 2: Are the three-dimensional products of such engineering drawings (two-dimensional) also within the meaning of the Copyright Act 1987?

> My reply to this question is a definite 'yes', as s 3 of the Act defines 'artistic work' to include 'drawings … and any three-
B dimensional work thereof'. Thus under s. 3, copyright not only vests in the engineering drawings (two-dimensional) as 'artistic work' but has been extended and enlarged to cover the finished products (three-dimensional) as well and which have been manufactured from the drawings.

C …

Question 3: Do such three dimensional works enjoy copyright in themselves, that is to say, in their three-dimensional form? Consequent to my answers to Question 1 and 2, it follows that such three-dimensional works enjoy copyright in themselves, as it is clear from s. 3 that:

D (1) engineering drawings (two-dimensional) are artistic works eligible for copyright; and

(2) that the **three-dimensional works produced from the drawings are also eligible for copyright** under the Act. (emphasis added)

[55] The above principle was followed by the court in *Megnaway Enterprise*
E *Sdn Bhd* (*supra*), where the court held at p. 139 (CLJ); p. 533 (MLJ):

> [24] In Malaysia, further inspiration is available in the judgment of Siti Normah Yaacob J (later CJ (M)) in *Peko Wallsend Operations Ltd & Ors v. Linatex Process Rubber Sdn Bhd* [1993] 1 MLJ 225 (HC), which was affirmed by the Supreme Court: see [1994] 3 MLJ lxx. Her Ladyship
F held that:
>
> (1) engineering drawings are included in the definition of artistic works under s. 3 and qualify for protection under the copyright law; and
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> (2) under s. 3, copyright not only vests in the engineering drawings
G (two-dimensional) as 'artistic works' but has been extended and enlarged to cover the finished products (three-dimensional) as well and which have been manufactured from the drawings.
>
> [27] It is evident that the plaintiff's rights cover not only the drawings of the metal components for the anti-theft system but extends to the
H metal components thereof which the plaintiff has manufactured, based on the drawings.
>
> [28] In the circumstances, I hold that the copyright (of the drawings and metal components for the anti-theft system which are three-dimensional reproductions of the drawings) subsists in favour of the plaintiff.

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[56] Therefore, the EX-5 motorcycle is also eligible for copyright protection because it is the three-dimensional product of the EX-5 drawing.

[57] However, it is the submission of the defendants that under the CA 1987, the copyright was not intended to be extended to any three dimensional form, but only to three dimensional representation made from or manufactured from the two-dimensional drawings of the EX-5 (exh. P5). Based on the evidence, the defendant submits that exh. P4, the EX-5 motorcycle is not a representation of the EX-5 drawing, exh. P5.

[58] However, I agree with the plaintiff that based on the case of *Peko WelIsend* (*supra*), there is no necessity that the three dimensional representation is an exact reproduction of two-dimensional drawings of the EX-5. So long as there is evidence to show that the three dimensional representation is based on the two-dimensional drawings, that is sufficient.

[59] I am satisfied from the evidence of PW1 that before the plaintiff can manufacture the EX-5 motorcycle, there must be a process before the EX-5 motorcycle can be produced based on the drawing, exh. P5. PW1 gave evidence that after Mr. Koizumi created the drawings exh. P5, the plaintiff will make the clay modellers from the drawing. From the clay models, they will make a mock up model. The mock up model will be shown to the local appointed distributor, and in the case of Malaysia, Boon Siew. From the feedbacks from Boon Siew, which the plaintiff referred to as minor modifications, they will make a working prototype containing the minor modifications. And from the working prototype, it then goes into commercial manufacture.

[60] The defendants also submit that the EX-5 motorcycle (exh. P4) which is a 2010 model, contain major design elements which make it different from the exh. P5 drawing. However, I accept the plaintiff's evidence that the design of the EX-5 have not changed over the 30 years, and this is supported by the evidence of the defendant, DW1 En. Asri:

> LW: En. Asri, tadi En. Asri berkata bahawa terdapat perubahan (minor-minor changes) pada EX-5 yang dijual dari tahun 1980an ke masa kini yang En. Asri katakaa [sic]. Soalan saya, En. Asri, adakah reka bentuk dan gaya asas, design styling untuk EX-5 berubah sejak ia pertama kali dijual di Malaysia?
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> DW1: Tidak.

[61] The defendants also raised the issue that P4 cannot be from P5 because of the meeting with Boon Siew, where the plaintiff had obtained feedbacks from Boon Siew. Therefore, with the feedbacks from Boon Slew, the defendants submit that the final products cannot be from the original drawings. However, I agree with the plaintiff that the defendants have failed to establish that the feedbacks from the meeting with Boon

Siew has clearly departed from the original drawings, especially when PW1 has given evidence that after the meeting with Boon Siew, the product is essentially the same from the drawings, with minor modifications.

[62] In any event, the Federal Court in *Dura-Mine Sdn Bhd v. Elster Metering Ltd & Anor* [2015] 1 CLJ 887 held that where all the modifications were brought about from the original design, then the entire chain of works, the original drawings and all modifications should be taken as a whole and as being original:

> (5) It could not be argued that the respondents had not asserted ownership of copyright. The respondents had given a complete account, all authenticated by documents, of the chain of ownership of copyright from the beginning to the lap of the first respondent. More than that, the respondents *had shown that all modifications of the original design were brought about by the labour and effort of the employees of the first respondent or its predecessors from whom the first respondent acquired the copyright. The original design and its modifications, as per the drawings, all originated from the first respondent or its predecessors in title. The first respondent was the owner of the copyright of the original design and the entire chain of modifications.* (emphasis added)

[63] Applying the principle in *Dura-Mine* (*supra*), I agree with the plaintiff that the EX-5 works creation process shows that the resulting works at every stage of the Creation Process, from initial sketches up to the EX-5 (P4) produced, were all brought about by the labour and efforts of Honda R&D's employees and had all originated from Honda R&D. All of these works created and the rights to them have been assigned by Honda R&D to the plaintiff. Thus, the plaintiff has copyright not only in the EX-5 drawing but also, in all the three dimensional models made from the EX-5 drawing and the entire chain of modifications and works of the EX-5 works creation process.

[64] Therefore, I am of the considered opinion that exh. P4, the Honda EX-5 motorcycle, which is based on the EX-5 drawing, is eligible for copyright protection, and that such copyright in both exh. 5 P5 and P4 are owned by the plaintiff.

[31] With respect, we agree with the finding of the HCJ on the matter of eligibility and subsistence of copyright in P4 ie, the real-life blue motorcycle is a product of the claimed works. It was a finding of fact by the HCJ that there were minor modifications on the EX-5 drawing of a cosmetic nature and that did not result in material change in the design concept as appear in EX-5 drawing. In the case of *Elster Metering Limited & Anor v. Dura-Mine Sdn Bhd* [2010] 1 LNS 1598 ("*Dura-Mine* High Court case"), the High Court had, after citing the case of *Allibert SA v. O'Connor and Another* [1981] FSR 613 proceeded on as follows:

> In that case, the plaintiffs had claimed to be the owners of the copyright in two drawings relating to fish boxes and a drawing for a mould for one such box, and sued the defendants for copyright infringements in the same drawings. The original product drawing of one of the boxes had been lost and was therefore not produced at the hearing. The drawing relied upon was a later drawing updated to show minor modifications to the original. The High Court of Ireland was satisfied that the improvements were in respect of minor technical points and the modifications which were incorporated in the new drawings were not extensive. The Court there held that the plaintiffs could rely on the updated drawings and, although it could not be certain as to the extent of the labour and skill involved in the production of the original Drawings, it was satisfied on the balance of probability, just by looking closely at the Drawings that the labour and skill involved was significant enough to justify a claim for copyright protection over them.

[32] The *Dura-Mine* High Court case (*supra*) was later affirmed by both the Court of Appeal and the Federal Court. Compared to the facts of this present appeal before us, the modifications in this case were only minor modifications could be discerned from the evidence of PW1 who had stood his ground on this issue when cross-examined by learned counsel for the defendants, Mr. Khoo Guan Huat. As such, we are not ready to disturb such a finding by the HCJ in the court below. We see no merit in the complaint by the defendants pertaining to the issue surrounding the three-dimensional work EX-5 motorcycle. In this regard, we would reproduce the work by Professor Khaw Lake Tee, in her book entitled "*Copyright Law in Malaysia*" (3rd edn 2008) as follows:

> As the scope of copyright protected works is fairly wide ranging from two-dimensional works such as printed works, artistic works, sheet music to three-dimensional works such as sculptures, buildings, works of artistic craftsmanship and works embodied in various carriers, such as sound recordings and films, the requirement of a true copy is hardly practicable. There are works which may be bulky or difficult to move. In such cases, there is no reason to why a two-dimensional representation, such as a photograph, of a three-dimensional work, could not constitute a true copy. Difficulties would abound if such copy is considered insufficient for the purpose of section 42.

Section 42 Of CA Issue

[33] That brings us to the issue on s. 42 of the CA on the effect of affirmation of statutory declaration ("SD") in proving the authorship/ownership of a copyright. At the outset, it must be stated in no uncertain terms that the law reports are replete with court decisions on the applicability of this statutory provision. We now reproduce s. 42 of the CA below:

(1) An affidavit, certified extracts of the Register of Copyright referred to in section 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be:

(a) the owner of the copyright in any works eligible for copyright under this Act stating that

(i) at the time specified therein copyright subsisted in such work;

(ii) he or the person named therein is the owner of the copyright; and

(iii) a copy of the work annexed thereto is the true copy thereof; or

(b) the performer in a performance eligible for performers' right under this Act stating that

(i) at the time specified therein performers' right subsisted in such performance;

(ii) he or the person named therein is the performer; and

(iii) a copy of the document annexed thereto is the document which proves that he or the person named therein performed in the performance,

shall be admissible in evidence in any proceedings under this Act and shall be *prima facie* evidence of the facts contained therein.

(2) Any person who is authorised to act on behalf of the owner of the copyright or performer for the purposes of subsection (1) shall be required to produce such authorisation in writing.

[34] We will go straight to what the Federal Court had decided on s. 42 in the case of *Dura-Mine Sdn Bhd v. Elster Metering Ltd & Anor* [2015] 1 CLJ 887 case, ("the *Dura-Mine* case") where it was held among others that proof of authorship of a work seeking copyright is not limited to resort to affirming an SD only. It may be established through other modes of proof. Section 42 therefore provides for an optional or alternative mode that is available to persons, in proving authorship of work deserving of a copyright protection as a recognised intellectual property. It is not the only mode of proof.

[35] In other words, the author of the impugned work may be proven through various methodologies. In this case, the calling of Mr. Koizumi was indeed the ideal way to establish ownership of the EX-5 drawing. However, s. 42 of the CA is a statutory mechanism specifically provided to prove authorship of the impugned works in question. The *Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd* [2005] 1 CLJ 200 case ("the *Rock Records* case") is an authority for the proposition that once a *prima facie* case has been made out by the affidavit or the SD, the burden can only be discharged by

the appellant by way of leading factual evidence to doubt the subsistence of copyright in the respondent.

[36] The apex court had ruled, *inter alia*, in the *Dura-Mine* case (*supra*) like so:

> (29) Under s. 42(1) of the Act, an affidavit or SD made by or on behalf of a person claiming the copyright to any works eligible for copyright must strictly comply with the whole of s. 42(1)(a)(i-iii). An affidavit or SD that does not, will not be admissible as *prima facie* evidence. But s. 42 of the Act is far from being the be all and end all of proof. For other than by affidavit or SD, a person claiming copyright could adduce oral evidence and tender other evidence, the admission of which is not precluded by the Act. Section 42 provides a means but not the only means of proving copyright. And given that oral evidence, which is open to cross-examination and therefore of higher evidential value than affidavit or SD evidence, we agree with the pragmatic approach adopted by some courts to allow oral evidence to augment, correct, and or even supplant a defective s. 42 affidavit or SD.

[37] The apex court in the above-quoted *Dura-Mine* case (*supra*) had also referred to the authoritative work of Professor Khaw Lake Tee in her book entitled "*Copyright Law in Malaysia*" (3rd edn 2008) where the learned Professor had written the followings at pp. 66 and 68, in respect of the requirements of s. 42 of the Copyrights Act 1987 like so:

> The Copyright Act 1987 provides a means of proving copyright and the ownership thereof in the work in the form of section 42. Under the said section, a person claiming to be the owner of the copyright in a work, or any person on his behalf, may make an affidavit or statutory declaration with a true copy of the work annexed to it, stating that at the time specified, copyright subsists in the work and he is the owner of the copyright. Such affidavit or statutory declaration shall be admissible in evidence in any proceedings under the Act and shall be *prima facie* evidence of the facts stated therein. It should be noted that the facts stated therein are *prima facie* evidence only and may be rebutted by any person challenging the same.
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> All these preconditions must be complied with before a section 42 affidavit or statutory declaration may be admitted as evidence.
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> ... a copy of the work must be attached. Mere listing the works in question is not sufficient for this purpose. What must be attached is a true copy; it need not be an exact copy but it must be a copy which is true of all essential particulars. It would appear that to constitute a true copy under section 42, the copy must be a work as defined by the Copyright Act ...

A However, where the work is an artistic work in the form of a two-dimensional drawing, a representation or copy of the work would appear to be sufficient. In *Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd* [2005] 3 MLJ 30, where the relevant copyright works were drawings of the design of a motorcycle, the plaintiff attached what the court referred as to the 'representations' drawings, 'representations made B by way of photographs' of the motorcycle, and black and white photostatted pictures and drawing of the motorcycle. Suriyadi J readily accepted these as evidence without any discussion as to the need for true copies of the drawings. Presumably, such representations constitute works as defined by the Act.

C **[38]** As can be seen in the *Dura-Mine* case (*supra*) the apex court had ruled that for the purposes of complying with the requirements of s. 42(1)(a)(iii) of the CA, a true copy of the work is what is required and that would suffice. There was no requirement for the original copy of the work that needed to be exhibited or annexed to the affidavit or SD, as envisaged under s. 42 of D the said Act. The apex court went on to state in para. [12] of its judgment that:

In the context and within the meaning of s. 42, the original is the work in which copyright subsisted, while a true copy thereof is a true and accurate representation of that original. The respondents produced what E were said to be true copies of the artistic works, namely the drawings in which copyright subsisted. The original drawings were not produced. But as said, there was no requirement for the production of original drawings. On that, we expressly disagree with the Court of Appeal who held "s. 42 in its present form allows a copyright owner to produce the original and where such drawings are not available, other drawings to prove copyright F ownership" (see para. 16 of the judgment of the Court of Appeal) and so obliquely suggested that the original is the document to be annexed. Rather, the production of true copies thereof had fulfilled the requirement of s. 42(1)(a)(iii) of the Act.

[39] Applying the principles as laid down by the apex court in *Dura-Mine* case (*supra*) can it be said that the HCJ had erred in deciding the way she did? G

[40] The HCJ having been satisfied that the plaintiff had fulfilled the requirements of s. 42 of the CA, went on to rule that a *prima facie* case had been made out by the plaintiff in that copyright subsisted in the claimed works and that it was the owner of the said copyright by virtue of the fact H that Mr. Koizumi was at the material times an employee of its subsidiary company and that on account of s. 26(2)(b) of the CA, the plaintiff being his employer was deemed to be the owner of such copyright. It did not go unnoticed by the HCJ that s. 42(2) of the CA stipulated that the SD may be

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affirmed by any authorised persons to act on behalf of the owner of the copyright. In this case, Mohd Tajudin bin Loman (PW2) was one such authorised person.

[41] In that regard, we could not reiterate enough that the provisions as contained under s. 42 are statutory provisions that supersede what the common law would regard as hearsay material undeserving of admissibility as evidence. Again, we would refer to the keen observation made by Justice Malek Ishak J (as he then was) in *Rock Records* case (*supra*) where he opined as follows:

> It is quite apparent that s. 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as *prima facie* evidence of the facts contained therein. It is quite obvious that section 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort.

[42] The learned judge in the *Rock Records* case (*supra*) went on to say the following:

> It circumvents the requirement of having to produce supporting documentary evidence which may be antiquated and voluminous. Section 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the *prima facie* evidence adduced by the copyright owner.

[43] In other words, s. 42 of the CA is a statutory concession passed by our Parliament to ease the process of proving copyright ownership at a *prima facie* threshold which is capable of being rebutted by the alleged infringer by him adducing sufficient credible evidence to the contrary. We wish to reiterate here that what is required to be annexed to the affidavit or SD by the person claiming subsistence of copyright over his work is merely a true copy of the work. It need not be the original. A true copy would suffice, in the words of the apex court in the *Dura-Mine* case (*supra*). In this case, the original drawings were annexed to the SD affirmed by PW2, who was at all material times, an employee of the plaintiff who claimed ownership of the drawings EX-5 and that copyright subsisted over it.

[44] Again, in the contextual scenario of this case, there was the assignment agreement between the plaintiff and the said subsidiary company that had the effect of assigning the said copyright from Honda R & D to the plaintiff.

[45] In the circumstances of this case, we are of the view that the HCJ did not err when she found that the plaintiff had established a *prima facie* case as envisaged under s. 42 of the CA in relation to the ownership copyright over the EX-5 drawing. It would be useful to refer to the decision by Hamid Sultan JC (as he then was) in the case of *Elster Metering Ltd v. Premier Amalgamated Sdn Bhd* [2010] 2 CLJ 149 on the difference between *prima facie* evidence and *prima facie* proof. *Prima facie* evidence *per se* can be negated by other contrary but credible evidence.

[46] The HCJ had gone on to find that defendants had failed to adduce sufficient evidence to rebut or displace the *prima facie* case that the plaintiff had established as to ownership of EX-5 drawing. In her grounds of judgment, she agreed with the plaintiff's submission that merely by cross-examining the plaintiff's witnesses in order to displace the *prima facie* case as to ownership of the copyright over EX-5 drawing would be insufficient. In that respect, we are of the view that the HCJ was correct there, as that was in line with what was decided by this court in the case of *Microsoft Corporation v. Yong Wai Hong* [2008] 6 CLJ 223. It was the HCJ's view that as the plaintiff had fulfilled the requirements under s. 42 of the CA it had become established *prima facie* that it was the owner of the copyright in EX-5 drawing.

[47] As to how the HCJ had appreciated the defence case in their attempt to displace the *prima facie* case of the plaintiff, we set out in *verbatim* and *in extenso* the relevant portions of the HCJ's decision as appear in her grounds of judgment, like so:

> [73] The burden then shifted to the defendants to offer positive evidence to displace the plaintiff's *prima facie* ownership. On the facts of this, I agree with the plaintiff that the defendants have failed to offer positive evidence that the plaintiff is not the owner of the copyright in both the drawing and the EX-5 motorcycle.
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> [74] The defendants also submit that the SD cannot be admitted as PW2 has no personal knowledge of the facts stated in the SD.
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> [75] In his evidence however, PW2 said that he knew the facts in the SD because when he joined Boon Siew in 1997, he was employed as a Quality Engineer, assembling EX-5 motorcycles. PW2 had also attended meetings with Honda and met Mr. Koizumi and found out that Mr. Koizumi is the creator of the EX-5. So it cannot be said that PW2 has no personal knowledge of the facts stated in the SD.
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> [76] Added to that, I agree with the plaintiff that there is no requirement in s. 42 that the deponent must have personal knowledge of the matters stated. Section 42 provides that the SD can be made by 'any person claiming to be the owner of the copyright or his agent'. If the latter, then the owner's written authorisation is to be produced, and the SD by PW2 has complied with this requirement.

[77] In any event, the High Court in *Elster Metering* (*supra*) held that the plaintiff has no burden to tender evidence of makers of the drawings, originality of the drawings and how the plaintiff came to own the copyright unless the defendant rebuts the s. 42 statutory presumption by positive evidence. At p. 262, the court held that:

> ... the Defendants have not produced any positive evidence against the first plaintiff's *prima facie* ownership. In the Defendants statement of defence, they merely made no admission to the ownership of the copyright subsisting in the drawings ... *The cross examination of PW1 is insufficient to challenge the prima facie evidence of the first Plaintiff's ownership in the drawings.* (emphasis added).

[78] As such, I agree with the plaintiff that by merely relying on their cross-examination of PW2 to rebut the s. 42 *prima facie* presumption is insufficient and must fail. The decisions of the appellate courts are also well established that the defendant must adduce positive evidence to displace the evidentiary presumption, and this was not done in this case.

[48] Premised upon the above, the HCJ found in fact and in law, that the defendants had failed to displace the plaintiff's *prima facie* of ownership of copyright over the EX-5 drawing, they had failed to adduce sufficient positive evidence to establish their claim over the copyright. Merely relying on cross-examination of PW2, whose evidence the HCJ believed as being reliable, the defendants had treaded on tenuous grounds and that had not served them well in order to convince the HCJ to enter judgment in their favour.

[49] As regards s. 73A of the Evidence Act 1950, clearly it provides a regime that would excuse the admissibility of materials that would, in normal circumstances, fail the exclusionary rule against hearsay evidence. Here the HCJ had accepted the reasons proffered by the plaintiff for not having produced Mr. Koizumi as the witness to prove the authorship of the EX-5 drawing. While courts would normally insist on the best evidence rule, there would inevitably be exceptions to such a general rule. In this case, the exceptions provided for under s. 73A may be applicable if the permissible circumstances are proven by the plaintiff. Looking at s. 73A of the Evidence Act 1950, the leeway given by that section is by no means a narrow one. In fact, the window that is open to litigants is quite flexibly wide, that would justify admissibility of an otherwise hearsay material, as being admissible evidence. Whether a litigant can successfully pass through it would invariably depend on the peculiar circumstances his case would present.

[50] The HCJ had subjected the putative materials to be admitted to the applicable principles and at the end of the day, she had allowed its admission under s. 73A of the Evidence Act 1950. She had her reasons for having so decided. The evidence of PW1 in explaining away the EX-5 drawing can never be underestimated.

[51] Instead of calling Mr. Koizumi to the witness stand for reason of long standing company policy of the plaintiff, of not burdening their erstwhile employees with the business of the company, the plaintiff had called also PW1 who had worked for over 30 years with Mr. Koizumi and who had affirmed on oath that he had seen first-hand how Mr. Koizumi had drawn and designed EX-5 drawing during the time that he was working with Mr. Koizumi as a junior designer. In fact, he had testified that Mr. Koizumi had requested PW1 to design an emblem for the front part of the design, which he dutifully did. Mr. Koizumi, according to PW1 approved of his design. There was no contradiction of this evidence by the defendants.

[52] As such, the HCJ was correct in not invoking the adverse inference under s. 114 illustration (g) of the Evidence Act 1950 against the plaintiff for not calling Mr. Koizumi as a witness in this case. The law is clear. There must be evidence of suppression of material evidence or a material witness, by the party who does not call the witness. (See Supreme Court decision in *Munusamy Vengadasalam v. Public Prosecutor* [1987] 1 CLJ 250; [1987] CLJ (Rep) 221; [1987] 1 MLJ 492). The material evidence was adduced in court. A witness so familiar with it was called to testify and he had given evidence in relation to it under cross-examination by learned counsel for the adverse parties. As it had come to pass, Mr Koizumi was not called because he had retired and was residing in Japan. It was the company policy of the plaintiff not to disturb its retired employees. The HCJ had accepted this reason as a valid excuse for not calling Mr Koizumi, although he was a material witness. But he was 'beyond the seas' (see s. 73A(1)(b) Evidence Act 1950) being in Japan and there was no evidence of there being a suppression by the plaintiff of this witness. In fact, he was present in court and testifying in court in the *Allied Pacific Motor* case (*supra*) when he was still in the employment of Honda R & D.

[53] In that respect, the fact that the EX-5 drawing evidence in this case was admitted under s. 73A of the Evidence Act 1950 cannot be dismissed summarily as being devoid of any weight as it was not subject to the crucibles of cross-examination by the adverse party. In a way, the factual scenario in this case is unique in that there is in existence the evidence of PW1, Mr. Masamichi Uchida, an employee of the Honda R & D who had been working alongside Mr. Koizumi for about three decades, in the very same field with which this case has been concerned with. The fact that they were contemporaries doing contemporaneous things together cannot be denied and that surely would add substantial weight to his evidence pertaining to the EX-5 drawing that was the product of Mr. Koizumi's work, effort and labour when he was in the employment of Honda R & D. The familiarity of PW1 with the EX-5 drawing was such that he was actually asked by Mr. Koizumi

to design the front emblem of the motorcycle, which PW1 did and which Mr. Koizumi later accepted into the drawing. PW1's evidence, among others, that he saw Mr Koizumi draw EX-5 drawing back in 1985 is a piece of direct evidence pointing to the fact that as observed by one of his senses and is clearly admissible under s. 61 of the Evidence Act 1950. There was no challenge on this factual assertion by PW1. Clearly, the admissibility of the design drawing by Mr. Koizumi was supported by the oral evidence of PW1 and it has not been a case where it was left entirely to the admitted document to speak for itself. In this case, PW1 who had vouched for the EX-5 drawing was cross-examined on his evidence. At the end of the day, the HCJ who had audio-visual advantage in observing his demeanour while testifying before her, had accepted his evidence. There was no reason for us to disturb such finding as it had not been shown to us that the HCJ had lost that peculiar advantage that was available only to her.

[54] We could see no error on the part of the HCJ in accepting the evidence of PW1 and that she had acted on the same in favour of the plaintiff.

[55] It was also submitted before us by learned counsel for the defendants that the HCJ had taken the wrong approach regarding the issue of originality. We had occasion to peruse through her grounds of judgment and we found that she had directed her mind to the relevant decided cases on this issue. For instance at para. [48], she had said the followings:

> [48] On the issue of originality, the court in *Kiwi Brands (Malaysia) Sdn Bhd v. Multiview Enterprises Sdn Bhd* [1998] 2 CLJ Supp 194, held as follows:
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> > The word original that appears in s. 7(3)(a) of the Copyright Act 1987 does not mean that the work must be the expression of original or inventive thought. I am of the considered view that the originality, which is required, relates to the expression of the thought; it does not require that the expression must be an original or even novel form. **The work must not be copied from another work. It should originate from the author.** (emphasis added).

[56] As a result, her conclusion as appear in para. [49] could not be faulted. As such we found no merits in the complaint raised by learned counsel for the defendants premised on the issue of originality.

Our Findings

[57] Learned counsel for the defendants had, in the course of his able submissions before us, urged us to allow the defendants' appeal. That would mean that we would have to disturb the decision of the HCJ, being the trial judge in the court below. In this regard, we would respectfully refer to a few cases that are germane when an appeal court has to consider whether to

exercise its appellate powers in favour of allowing an appeal. We had emphasised the words 'trial judge' in the sentence preceding the last, and it is for a reason that is so obvious, in the context of an appellate exercise. Decisions made by trial courts, *ipso facto*, deserve deference from the appeal court justices and for good reasons. One of those reasons is that the trial judge is in the unique position in that he or she has the distinct advantage of having heard and seen the witnesses when they testify before the trial court. This gives the trial court the audio-visual advantage of observing the demeanour of the witnesses during the court proceedings. This arms the trial judge with the capacity to make the necessary findings of fact especially as to the veracity of the witnesses, and hence which witnesses to prefer over the other[s]. Hence, to set aside a decision of the trial judge, it will not suffice that the appeal justices are of the view that a different decision ought to have been arrived at. Indeed, a higher threshold of consideration must be achieved to show that the trial judge's decision ought indeed to be set aside. For that circumstance to happen, it must be shown to the satisfaction of the appeal court that the trial judge was 'plainly wrong' in his decision. The well entrenched principle on appellate intervention of a trial court's decision was lately reiterated by the apex court in the case of *Dream Property Sdn Bhd v. Atlas Housing Sdn Bhd* [2015] 2 CLJ 453; [2015] 2 MLJ 441. In citing *Gan Yook Chin & Anor v. Lee Ing Chin & Ors* [2004] 4 CLJ 309; [2005] 2 MLJ 1, the apex court also adverted to the case of *UEM Group Bhd v. Genisys Integrated Engineers Pte Ltd & Anor* [2010] 9 CLJ 785, where it was stated that "a plainly wrong decision happens when the trial court is guilty of no or insufficient judicial appreciation of the evidence." The English House of Lords' decision in the case of *Watt v. Thomas* [1947] AC 484 was cited, *inter alia*, in support thereof.

[58] Applying the principles to the case immediately before us, we unanimously found no appealable error of a nature which would otherwise warrant any appellate intervention by us. The HCJ had judicially appreciated the evidence adduced before her. It would be grossly unfair to suggest that the HCJ did not undertake that exercise. Indeed, she had weighed the evidence in the balance before she came to her conclusions that she did, bearing in mind as she did, the demeanour of the witnesses when they testified before her. (See generally also the case of *China Airlines Ltd v. Maltran Air Corp. Sdn. Bhd & Another Appeal* [1996] 3 CLJ 163). She had also analysed the law as applicable in this case.

[59] All said, it was for the defendants to convince us that the HCJ had committed error or errors of an appealable character, such that we would be justified in invoking our appellate powers in their favour. That said, we are of the considered view that the right party had judgment entered in its favour

in the High Court in this case, relating to eligibility, subsistence and ownership of the copyright pertaining to the claimed works and this had its implications. (See, the English House of Lords' decision in the case of *Onnasis & Anor v. Vergottis* [1968] 2 Lloyds Rep 403 ("the *Onnasis* case"). On the balance, we were not convinced that the HCJ was plainly wrong when she decided the way she did, in the circumstances and in light of the available evidence as adduced before her. In fact, as relatively recently as in 2014, the English Supreme Court in *Henderson v. Foxworth Investments Ltd and Another* [2014] 1 WLR 2600 ("the *Henderson*'s case") considered and explained the 'plainly wrong' test as follows:

> 62. Given that the Extra Division correctly identified that an appellate court can interfere where it is satisfied that that criterion was met in the present case, there may be some value in considering the meaning of that phrase. There is a risk that it may be misunderstood. The adverb "plainly" does not refer to the degree of confidence felt by the appellate court that it would not have reached the same conclusion as the trial judge. It does not matter, with whatever degree of certainty that the appellate court considered that it would have reached a different conclusion. **What matters is whether the decision under appeal is one that no reasonable judge could have reached.** (emphasis added)

[60] We had the benefit of perusing the exhaustive manner in the treatment and appreciation, by the HCJ, of the evidence that had been adduced before her throughout the entire course of the trial. She had subjected those evidence to a fair and no less meticulous judicial appreciation of the entire evidence, both the oral testimonies of the witnesses as well as the relevant documentary evidence. In particular, she had accepted the evidence of PW1, despite him being subject to vigorous cross-examination by learned counsel for the defendants, especially on the issue of the nature and extent of the modifications made to EX-5 drawing, which he insisted until the end as being minor in nature. Having done that, we could not say that she was plainly wrong in her conclusions, in fact, as well as in law. We are of the unanimous view that the HCJ had sufficiently appreciated the evidence in a judicious and reasonable manner.

[61] Ultimately, having asked ourselves the question as postulated by the Supreme Court of England in the *Henderson*'s case (*supra*) we are of the view that the HCJ's decision would be the same as which any reasonable judge could have reached in the given and like circumstances. In the words of Lord Pearce in the *Onnasis* case (*supra*): 'But the fact that the right party seems to have succeeded in the court below will naturally make a Court of Appeal extremely reluctant to interfere, and it would only do so in the rarest cases.' We are unanimous in our view that this appeal before us did not fall into that category of cases, described by Lord Pearce as one of the 'rarest cases.' Indeed, this appeal before us has not been a fit and proper case for us to invoke our appellate powers in favour of the defendants, as appellants before us.

[62] By way of reiteration, the standard of proof that applies in a civil case is one that is proof on the balance of probabilities. What that really means in practical term had been explained by Denning J (as he then was) in the case of *Miller v. Minister of Pensions* [1947] 2 All ER 372 at 374 like so: "That degree is well settled. It must carry a reasonable degree of probability, but not so high as is required in a criminal case. If the evidence is such that the tribunal can say, 'We think it more probable than not', the burden is discharged, but, if the probabilities are equal, it is not." Lord Brandon in the case of *Rhesa Shipping Co SA v. Edmunds* [1985] 1 WLR 948 had that in mind when he observed as follows:

> This is especially so when it is open to the judge to say simply that the evidence leaves him in doubt whether the event occurred or not, and that the party on whom the burden of proving that the event occurred lies has therefore failed to discharge such burden.

[63] We are also mindful of the case of *Re H and R (Child Sexual Abuse: Standard of proof)* [1995] 1 FLR 643, where Millet LJ had occasion to state:

> In civil cases, contempt proceedings apart, there is only one standard of proof: proof on the balance of probabilities. It is never necessary to prove facts to a standard beyond the balance of probabilities ... The difference lies in the cogency of the evidence needed to tip the balance, not in the degree to which the balance must be tipped.

[64] Ungoed-Thomas J in the case of *In re Dellow's Will Trusts* [1964] 1 WLR 451 had put it rather neatly thus, "The more serious the allegation the more cogent is the evidence required to overcome the unlikelihood of what is alleged and thus to prove it." We are also acutely aware of the case of *In re B (Children)* [2008] UKHL 35, where Lord Hoffman had occasion to say:

> If a legal rule requires a fact to be proved (a "fact in issue"), a judge or jury must decide whether or not it happened. There is no room for a finding that it might have happened. The law operates a binary system in which the only values are 0 and 1. The fact either happened or it did not. If the tribunal is left in doubt, the doubt is resolved by a rule that one party or the other carries the burden of proof. If the party who bears the burden of proof fails to discharge it, a value of 0 is returned and the fact is treated as not having happened. If he does discharge it, a value of 1 is returned and the fact is treated as having happened.

[65] From the above, it could be deduced therefore that the more improbable the event, the more cogent must be the evidence that it did occur, on the balance of probabilities, for its occurrence will be established. In the appeal before us presently, the HCJ was correct in concluding the way she did, in that the plaintiff had adduced sufficient cogent evidence to tip the balance and hence establishing its case that the EX-5 claimed works were

eligible for copyright protection, that it subsisted in 1990 in Malaysia and that the plaintiff was the lawful owner of that copyright. In other words, the trial court must be satisfied that the occurrence of that fact in question was more likely than not, as reiterated by the House of Lords of England in the case of *In re H (Minors) (Sexual Abuse: Standard of Proof)* 1996 AC 563 in particular, the speech of Lord Nicholls of Birkenhead. In this case before us, the plaintiff had established its case on the issues of subsistence and ownership on the balance of probabilities. With respect, we agree with the HCJ in her findings on the issues in Appeal 2.

Conclusion

[66] In the upshot, we found that there was no misdirection committed by the HCJ, contrary to what was urged upon us by learned counsel for the defendants. Neither did we find that the HCJ had been plainly wrong in her decision on the issues pertaining to this appeal, namely, subsistence of and ownership of the copyrights in the claimed works (P5). We therefore unanimously dismiss Appeal 2 with costs of RM20,000 against the appellants. We affirm the HCJ's decision on the issue of subsistence and ownership of copyright in the claimed works. Consequently, Appeal 2376 (by DNC Asiatic Holdings & Two Others) on the issue of subsistence and ownership is also dismissed with costs of RM20,000 against the appellants. All costs are subject to allocator fees.

[67] This decision by us would necessarily mean that the appeal by Honda (Appeal 3) against the decision of the same HCJ on her adverse finding against Honda, being the plaintiff on the issue of alleged infringement by the defendant Mforce Bike Holdings Sdn Bhd & Another against its copyrights, therefore is very much alive. So would be the appeal by DNC Asiatic Holdings & Two Others (Appeal 2376) against the adverse finding by the HCJ, that it had infringed Honda's copyrights, the part of appeal against the infringement ruling. Those related appeals on infringement would need to be heard. Parties will be duly informed of the date accordingly.